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ACTION AF-00

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| INFO | LOG-00 | NP-00 | ACQ-00 | CIAE-00 | COME-00 | INL-00 | DODE-00 |
| | DOEE-00 | DOTE-00 | DS-00 | EB-00 | FAAE-00 | FBIE-00 | VC-00 |
| | TEDE-00 | INR-00 | VCE-00 | AC-01 | NSAE-00 | OES-01 | ACE-00 |
| | SSO-00 | SS-00 | TRSE-00 | EPAE-00 | DSCC-00 | DRL-02 | G-00 |
| | NFAT-00 | SAS-00 | | /004W | | | |

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FM AMEMBASSY HARARE
TO SECSTATE WASHDC IMMEDIATE 7043
INFO NSC WASHDC IMMEDIATE
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

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SIPDIS

STATE FOR AF, AF/S
NSC FOR SENIOR AFRICA DIRECTOR GAYLE SMITH
LONDON FOR CHARLES GURNEY
PARIS FOR BISA WILLIAMS

E.O. 12958: DECL: 09/08/05

TAGS: [PGOV](#) [PREL](#) [PINR](#) [ECON](#) [SENV](#) [ZI](#) [SA](#)

SUBJECT: NEW TALE OF CORRUPTION IN ZIMBABWE'S ENERGY
SECTOR

CLASSIFIED BY AMBASSADOR TOM MCDONALD, REASON 1.5 (B),
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(D)

11. (C) AMBASSADOR MCDONALD ATTENDED A DINNER SEPTEMBER 7 WITH A VARIETY OF RESIDENT AMBASSADORS AND A FEW ZIMBABWEANS, DURING WHICH GIDEON GONO (PROTECT), MANAGING DIRECTOR OF COMMERCIAL BANK OF ZIMBABWE (CBZ), REPORTED A CREDIBLE STORY ABOUT NEW GOVERNMENT MALFEASANCE IN THE ENERGY SECTOR. BEFORE MUGABE APPOINTED HIS NEW CABINET IN JULY, GONO HAD BEEN THE GOVERNMENT'S GO-TO MAN ON FINDING NEW SOURCES OF FUNDING FOR ZIMBABWE'S DWINDLING FUEL SUPPLIES. GONO, A ZANU-PF STALWART AND FRIEND OF MUGABE, WAS THE PRINCIPAL NEGOTIATOR OF A KUWAITI/EUROPEAN BANKS OIL CREDIT LINE EARLIER THIS YEAR DURING THE BEGINNING STAGES OF THE FUEL CRISIS. CBZ IS ALSO OFTEN THE LAST RESORT BANK TO WHICH THE GOVERNMENT TURNS WHEN A PARTICULARLY ACUTE OR ELEVENTH HOUR HARD CURRENCY PAYMENT MUST BE MADE.

12. (C) AN IRRITATED GONO REPORTED, HOWEVER, THAT SINCE THE CABINET RESHUFFLE HE HAS BEEN SIDELINED ON OIL DEALS IN FAVOR OF NEW MINES AND ENERGY MINISTER SIDNEY SEKERAMAYI, HIS STAFF, AND OFFICIALS OF THE ZIMBABWE OIL PARASTATAL NOCZIM. APPARENTLY OUT OF DESPERATION, SEKERAMAYI RECENTLY CALLED GONO FOR HELP IN RETAINING AND TRYING TO EXPAND LINES OF CREDIT FROM SOUTH AFRICA'S ELECTRICITY AND OIL PARASTATALS. GONO INFORMED THE AMBASSADOR AND A FEW OTHERS AT THE DINNER PARTY THAT AS A RESULT, HE TRAVELED TO SOUTH AFRICA IN THE LAST WEEK TO UNDERTAKE THESE CREDIT NEGOTIATIONS ON BEHALF OF THE ENERGY MINISTRY AND NOCZIM. WHILE THERE, GONO LEARNED FROM ESKOM AND SASOL OFFICIALS THAT "MORE THAN ONE

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ZIMBABWE MINISTER AND A FEW OTHER NOTABLES FROM NORTH OF THE BORDER" (GONO DID NOT NAME NAMES, ALTHOUGH PRESUMEDLY ONE IS SEKERAMAYI) HAD ALREADY SENT LETTERS TO ESKOM AND SASOL REQUESTING A CUT OF ALL NEW ENERGY DEALS BETWEEN SOUTH AFRICA AND ZIMBABWE BECAUSE THEY OPERATED PERSONAL BUSINESSES THAT COULD ACT AS MIDDLEMEN. GONO DID NOT PROVIDE ANY FURTHER DETAILS OF THE REQUEST OR PRODUCE THE LETTERS. CHARITY NZENZA (PROTECT), UNDERSECRETARY FOR THE MIDDLE EAST AND ASIA IN ZIMBABWE'S MFA, WAS AGHAST AT GONO'S DISCLOSURE AND LAMENTED THAT IT WAS OFFICIALS LIKE THOSE WHO CAUSED HER TO WAIT IN LONG PETROL QUEUES WITH OTHER AVERAGE ZIMBABWEANS. SHE SAID "WE ARE NOT STUPID; THE PUBLIC KNOWS WHAT IS GOING ON."

13. (C) COMMENT: GIVEN HIS HISTORY AS THE GOZ'S ENERGY POINT MAN AND HIS VISIBLE DISPLEASURE AT BEING CUT OUT OF THE LOOP, GONO'S STORY APPEARS HIGHLY CREDIBLE TO US. THE TALE IS AN EXCELLENT EXAMPLE OF THE GOZ LEADERSHIP'S GROWING DETERMINATION TO GET WHILE THE GETTING IS STILL POSSIBLE. IF THIS STORY EVER FINDS ITS WAY INTO THE MEDIA, THE PUBLIC OUTCRY WOULD BE ENORMOUS, WITH

SEKERAMAYI COMING UNDER VERY STRONG PRESSURE TO RESIGN.
WE ALSO STRONGLY BELIEVE THAT ANALOGOUS CASES OF
CORRUPTION AND PROFITEERING EXIST AT MANY OF THE OTHER
PARASTATALS, WITH A NUMBER OF CABINET OFFICIALS, TOP
RULING PARTY OFFICIALS, AND POLITICAL APPOINTEES ON THE
TAKE AT PUBLIC EXPENSE.

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